



UNITED STATES
DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE
WASHINGTON 25, D. C.

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IN REPLY REFER TO

Copy referred to: REGIONAL DIRECTOR,
Houston, Texas by the Washington Office
for information Date 4/28/60

WLB
Amundson

Memorandum

To: Director

From: Associate Director

Subject: Conference with Oil Company Representatives Concerning
Padre Island

The following are some notes that I scribbled down during our conference with the oil company representatives on April 6, relative to Padre Island. Attending the conference were:

"For Gulf Oil Corporation

Mr. Edwards - of counsel - Houston District
Mr. Deen - Chief of Exploitation - Houston Division
Mr. R. H. Davis, Chief Landman - Houston Division

For Sun Oil Company

Mr. Thomas Bryan

For Burton Dunn and the Jones Family

David Coover

For Gilbert Kerlin, Individually and as Trustee

Gilbert Kerlin"

Delay in submitting the memorandum has been due to difficulty in getting the names of those who attended.

1. The group wanted it very firmly understood that they were talking only about mineral resources which were underground. These were limited to oil, gas and hydrocarbons related to production of the first two elements.

2. In order to fully develop the underground minerals on Padre Island, it was felt that they should have a well for each 320 to 640 acres, depending somewhat on the structure underground.

However, they did not feel that it would be necessary to have one for any smaller area than 320, nor would one be able to serve a greater area than 640 acres. As a rule it will be close to the 320-acre figure.

3. The wells must be driven above the high-water mark. This means that they will be about 300 feet from shore and should be quite inconspicuous.

4. Nature controls the location of the drilling operations. After determination has been made as to where the wells should be sunk, it is not possible to vary too far from the selected location, perhaps not over a hundred feet or so.

5. Slant drilling will not be possible on Padre Island because it is far more expensive and risky. In other words the difficulties to be encountered underground are greatly intensified in slant drilling.

6. The gas which is being produced from the wells on Padre Island is of good quality and commands a good market.

7. No oil wells have been drilled on the island so far and there is no guarantee that oil will be found in areas which have been selected for the seashore area. In order to drill a gas well, about $1\frac{1}{2}$ to 3 acres of surface area are needed, and this will be well cut up as a result of the operations. It should require from 30 to 90 days to drill the well. When the well is brought in, virtually no surface installations will be visible except the Christmas tree, which is a pipe protruding above the ground with a number of valves, and a fence. The total area fenced in will be about 10 feet square. There will be no activity of any kind around a gas well except for an occasional inspection by a maintenance man.

8. Should processing plants be necessary, it is estimated that an installation for this purpose will cover about 10 acres.

9. It was also pointed out that it would not be possible to take the production on the island direct to the mainland for processing. As a matter of fact, exactly the reverse is true at the present time. In other words gas produced in the bayou and on the mainland is brought to the island. This is due to blocks that have been thrown up by landowners on shore. The King Ranch, for instance, has offered the company a 40-foot-wide strip through their ranch for pipeline purposes provided that they will put a 40-foot concrete pavement on top of the strip which can be used for highway purposes by the ranch.

10. The Sun Oil Company has very large investments in installations on Padre Island which few people realize are there because they are virtually all underground. At present, they have 17 gas wells operating inside the proposed boundary.

Sun - 17 gas wells

11. They felt that this process of extracting gas would never interfere with human use, and that oil and gas operations would not interfere with wild life to as great an extent, perhaps, as could be expected from a large number of visitors who will come to the area if it is ever established.

12. Should the development move from gas to oil production, there should be no fear of oil pollution as this is a chapter in the history of the past in the oil industry and is only a very minor matter in these days. The companies have had to learn how to guard themselves against such situations.

13. No one has a crystal ball that will reveal the reserves involved; also no one who has any connection with operations on Padre Island today doubts that there is a vast pool of minerals "out there."

14. The production potential of the field may be judged from the fact that the Sun Oil Company has a firm contract to deliver 50 million cubic feet per day of gas for a period of 20 years to a consumer company. They could not afford to make this contract unless they were sure that they were going to be able to deliver for 20 years or more.

15. None of the oil men present would even venture a guess as to the durability of the field. They said there are so many factors involved in this that it is impossible to say; that some wells will dry up after a few years operation but there are some oil wells on the mainland that have been operating for 40 years and are still going strong. They seemed to feel that it would take longer to exhaust the gas than to exhaust oil should it be discovered in the area.

16. The total work force on Padre Island to handle all the operations of the Sun Oil Company installations at this time are two maintenance men.

17. You finally steered the matter to the surface minerals and one of the men who seemed to be responsible for the owners of the surface rights said that they certainly would not waive these rights. He merely said that they thought they had a value. A

number of people have been prospecting along the beach recently trying to determine just what minerals may be present. However, one other man said they had a survey made of their properties and what they found indicated the values were so low that they would be glad to waive them.

18. It was pointed out that whatever you find under the water you have to bring ashore and that the Sun Oil Company has some rather expensive easements within the boundaries of the proposed seashore in order to handle this situation should oil production be started out in the Gulf.

19. They asked whether, if the seashore is established and extensive developments take place out in the Gulf, they would be able to secure easements or permits to locate processing plants on shore. Here again they pointed out this would be necessary because they have found it impossible to work out even fairly agreeable arrangements with the Kennedy and King ranch people. It was also pointed out that shore lands at the present time are selling for about \$6,000 per lot.

These are the points that I felt were worthy of note and I am making distribution to those who may be interested.

/S/

E. T. Scoyen
Associate Director